Health Savings Account (HSA)

HSA Provided by Optum Bank

With the introduction of the Consumer Focused Health Plan, the State of Nebraska is offering eligible employees the opportunity to open a Health Savings Account, managed by Optum Bank. An HSA is a personal bank account that you own, and it allows you to save money out of each paycheck on a pre-tax basis.

You can use the money you save in your HSA to pay for qualified medical, dental and vision expenses, such as doctor visits, prescriptions and hospital visits, or you can save the money for a future need – even retirement. The way you use your HSA will depend on your health care needs and your savings goals. Spend or save. The choice is yours.

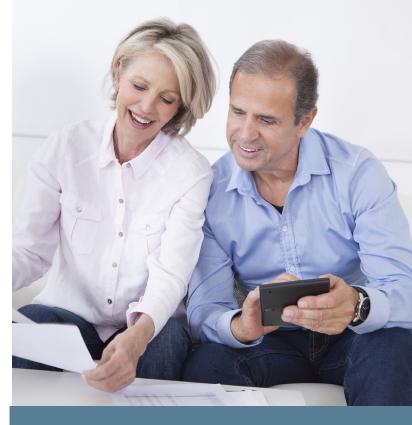
Benefits of an HSA

- You own the HSA. Any money you deposit into your HSA is yours to keep, even if you change medical plans or leave your job.
- There is no "use it or lose it" rule. Your HSA balance carries over from year to year, letting you save for future health care expenses that may occur well into retirement.
- You can grow your money. The money you contribute
 to your HSA grows with interest, and once your balance
 reaches a certain level, you can choose to invest some
 of your savings in mutual funds to help your money grow
 further and work harder for you.
- You get triple tax savings. The money you contribute to your HSA is tax-free. You don't pay taxes on your contributions or the interest your account earns, as long as you use them for eligible medical expenses.

Like all good things, there's a limit on the amount that you can contribute to your HSA. Currently, the IRS limits the amount you can save during the benefit plan year depending whether or not you carry dependent coverage. You'll need to make sure your contributions don't put you over the annual maximum.

The 2016 maximum limits are:

- \$3,350 for individual coverage
- \$6,750 for family coverage
- If you're age 55 or older, you can contribute an additional \$1,000 to your HSA during the plan year



Can You Open an HSA?

Because you don't pay taxes on HSA contributions, the interest or earnings on investments, you have to meet certain requirements to open an HSA:

- You are covered under the Consumer Focused Health Plan
- You are not covered by any other health plan, such as a spouse's non-HSA plan, or FSA Healthcare plan
- You are not enrolled in Medicare or TRICARE
- You have not received Veterans Administration (VA) benefits within the past three months
- You are not claimed as a dependent on another person's tax return

How does the HSA work?

If you enroll in the Consumer Focused Health Plan, you will authorize set up of your Optum Bank account and elect your pre-tax payroll contributions through the Employee Work Center. You'll receive additional information from Optum Bank about your account including on-line banking options to help manage your HSA.

There is a monthly bank fee of \$1.00 until the balance reaches \$500.00, then the fee is removed.

With the money you save in your HSA, you can:

- Use your Optum Bank HSA Debit MasterCard® to pay for qualified health care expenses at your pharmacy, doctor's office or other health care provider.
- Reimburse yourself for qualified health care expenses from your HSA.
- Pay bills on-line at no charge, or pay with checks linked to your HSA, if you choose to purchase them.
- · Save for future healthcare expenses.

How is it different from a FSA Healthcare account?

- It's a bank account owned by you. It goes with you even if you change jobs or health plans.
- Like a bank account, you can only use the money you have deposited in the account.
- · Higher annual contributions limits.
- · Your account balance earns interest.
- You can invest your balance in mutual funds once it reaches the investment threshold.
- · Anyone can deposit money in your account.
- · You can use it now, or save it for the future.

What are qualified expenses?

Some examples are list below. For a complete listing, see IRS Publication 502 at irs.gov.

- Acupuncture
- Ambulance
- Artificial limbs
- · Diabetic supplies
- · Breast pumps
- Chiropractor
- · Contact lenses and solution
- Crutches
- · Dental treatments
- Doctor's office visits and procedures
- Prescriptions
- Eyeglasses and vision exams
- Fertility treatment

- Deductibles and copayments
- Premiums for COBRA, longterm care insurance, taxdeductible health insurance
- · Hearing aids
- · Laboratory fees
- · Laser eye surgery
- · Physical therapy
- Psychiatric care
- · Speech therapy
- Stop-smoking programs
- Walker
- Wheelchair

What expenses are not covered?

- Expenses reimbursed from another source
- · Cosmetic surgery
- · Diaper service
- · Electrolysis or hair removal
- · Health club dues
- Household help
- · Maternity clothes
- · Nutritional supplements

- · OTC medicines
- · Toothbrush, toothpaste
- · Swimming lessons
- · Teeth whitening

To Learn More...

Visit www.optumbank.com or call 866-234-8913 Monday - Friday 7:00 a.m. - 7:00 p.m. Central Time

